

Resolution No: 15-1048
Introduced: May 3, 2005
Adopted: June 14, 2005

COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND

By: Council President at the Request of the County Executive

SUBJECT: Supplemental Appropriation #13-S05-CMCG-7 to the FY05 Capital Budget and
Amendment to the FY05-10 Capital Improvements Program
Montgomery County Government
Housing Opportunities Commission
MPDU/Property Acquisition (No. 768047), \$2,000,000

Background

1. Section 307 of the Montgomery County Charter provides that any supplemental appropriation shall be recommended by the County Executive who shall specify the source of funds to finance it. The Council shall hold a public hearing on each proposed supplemental appropriation after at least one week's notice. A supplemental appropriation that would comply with, avail the County of, or put into effect a grant or a Federal, State or County law or regulation, or one that is approved after January 1 of any fiscal year, requires an affirmative vote of five Councilmembers. A supplemental appropriation for any other purpose that is approved before January 1 of any fiscal year requires an affirmative vote of six Councilmembers. The Council may, in a single action, approve more than one supplemental appropriation. The Executive may disapprove or reduce a supplemental appropriation, and the Council may reapprove the appropriation, as if it were an item in the annual budget.
2. Section 302 of the Montgomery County Charter provides that the Council may amend an approved capital improvements program at any time by an affirmative vote of no fewer than six members of the Council.
3. The County Executive has requested the following capital project appropriation increases:

| <u>Project Name</u> | <u>Project Number</u> | <u>Cost Element</u> | <u>Amount</u> | <u>Source of Funds</u> |
|-------------------------------|---------------------------|-------------------------|---------------|----------------------------|
| MPDU/ Property Acquisition | 768047 | Other | \$2,000,000 | |
| TOTAL | | | \$2,000,000 | G.O Bonds |

Supplemental Appropriation #13-S05-CMCG-7 and Amendment to the FY05-10 Capital Improvements Program
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4. This increase is needed for the effective continuation of the Moderately-Priced Dwelling Units (MPDUs) acquisition and renovation process which requires that sufficient revolving funds be available for immediate draws until permanent financing is in place. The recommended amendment is consistent with the criteria for amending the CIP because it leverages significant non-County sources of funds.
5. The County Executive recommends an amendment to the FY05-10 Capital Improvements Program and a supplemental appropriation in the amount of \$2,000,000 for MPDU/Property Acquisition (No. 768047), and specifies that the source of funds will be General Obligation Bonds.
6. Notice of public hearing was given and a public hearing was held.

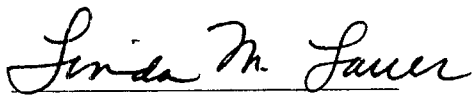
Action

The County Council for Montgomery County, Maryland, approves the following action:

The FY05-10 Capital Improvements Program of the Montgomery County Government is amended as reflected on the attached project description form and a supplemental appropriation is approved as follows:

| <u>Project Name</u> | <u>Project Number</u> | <u>Cost Element</u> | <u>Amount</u> | <u>Source of Funds</u> |
|-------------------------------|-----------------------|---------------------|--------------------|------------------------|
| MPDU/ Property Acquisition | 768047 | Other | \$2,000,000 | |
| TOTAL | | | <u>\$2,000,000</u> | G.O Bonds |

This is a correct copy of Council action.



Linda M. Lauer
Clerk of the Council

HOC MPDU/Property Acq Fund -- No. 768047

Category **Housing Opportunities Commission**
 Agency **Housing Opportunities Commission**
 Planning Area **Countywide**
 Relocation Impact **None**

Date Last Modified
 Previous PDF Page Number
 Required Adequate Public Facility

April 15, 2005
 17-4(03 App)
 NO

EXPENDITURE SCHEDULE (\$000)

| Cost Element | Total | Thru FY04 | Remain. FY04 | Total 6 Years | FY05 | FY06 | FY07 | FY08 | FY09 | FY10 | Beyond 6 Years |
|----------------------------------|---------------|---------------|--------------|---------------|--------------|----------|----------|----------|----------|----------|----------------|
| Planning, Design and Supervision | 1,500 | 0 | 1,500 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Land | 7,744 | 6,112 | 1,632 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Site Improvements and Utilities | | | | | | | | | | | |
| Construction | 1,263 | 1,263 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other | 2,000 | 3,000 | -3,000 | 2,000 | 2,000 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 12,507 | 10,375 | 132 | 2,000 | 2,000 | 0 | 0 | 0 | 0 | 0 | 0 |

FUNDING SCHEDULE (\$000)

| | | | | | | | | | | | |
|----------------------------------|--------|--------|-----|-------|-------|---|---|---|---|---|---|
| Revolving Fund - G.O. Bonds | 12,400 | 10,375 | 25 | 2,000 | 2,000 | 0 | 0 | 0 | 0 | 0 | 0 |
| Revolving Fund - Current Revenue | 107 | 0 | 107 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

ANNUAL OPERATING BUDGET IMPACT (\$000)**DESCRIPTION**

This is a revolving loan fund from which HOC is authorized to use up to \$10.5 million at any one time for: (a) the interim financing, including cost of acquisition and finishing by HOC, of MPDUs as permitted in Chapter 25A of the Montgomery County Code, provided that the unit is used in tandem with a Federal, State, or local subsidy program and is developed to provide housing to low-and-moderate-income households; and (b) planning, acquisition, and improvement of sites and/or existing properties for low-and-moderate-income, single, or multifamily housing facilities, which are to be owned and operated by HOC or its designees. Sites may be land-banked in anticipation of future development when adequate public facilities become available. Upon receipt of permanent financing, monies are returned to the fund for reuse. No MPDU may be held by the fund for more than 24 months, the 24-month maximum holding period may be extended in unusual situations for a limited time upon determination by the Director of the Department of Housing and Community Affairs that such an extension would best support purposes of this program. HOC may determine that a County lump sum subsidy is required to secure independent financing or meet Federal, State, or local program guidelines for itself or its designees. Such write-downs from County funds shall be made only for projects serving households whose incomes do not exceed the following limits: 1/3 units - 80 percent of Washington Metropolitan Area Median income; 1/3 units - 80 percent of County Median income; and 1/3 units uncontrolled. In the event that a subsidy is undertaken, then in its next CIP submission, HOC shall include a PDF describing the subsidized program and shall request an appropriation sufficient to fully repay this fund.

Service Area

Countywide

JUSTIFICATION

Availability of the fund helps assure that HOC has the resources to respond promptly to acquisition opportunities for MPDUs, sites, and properties in suitable locations consistent with County housing policy. The ability to make write-downs from this fund permits HOC to increase public purpose in its developments during times of scarce outside subsidies.

Cost Change

Addition of \$2 million to this on-going project

STATUS

Outstanding draws as of September 30, 2004 totaled \$6.3 million. Repayments of \$0.58 million are expected in FY 05 for the repayment of the remaining balance of the State Partnership Rental Program VII - partial repayment (\$527,839), and the full repayment of the HOC/HOP loan (\$48,000). In remaining months of FY 05, HOC also anticipates needing up to \$4.25 million of Revolving Funds. These proceeds will be used to purchase MPDU's for the current MPDU Program known as MPDU 2004 (\$2.1 million), approximately \$250,000 for interim funds for the development of the Wheaton Metro site. Additionally, bridge funds of approximately \$1.9 million may be needed in connection with the rehabilitation of the Barclay Apartments, Chevy Chase Apartments, and Spring Garden Apartments.

OTHER

The County General Plan Refinement stands in compliance with the General Plan requirement of the Maryland Economic Growth, Resource Protection, and Planning Act. County Master Plans must be in compliance with the General Plan.

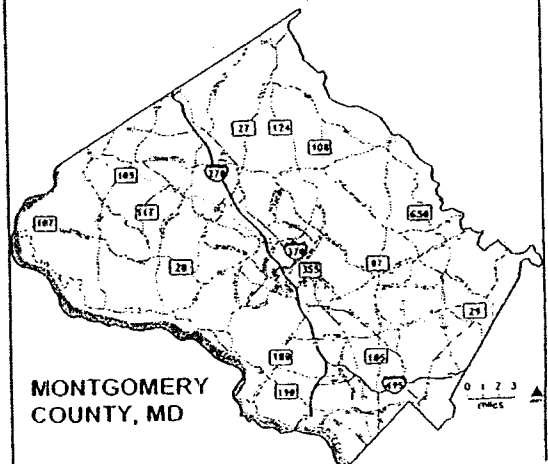
Beginning in FY01, as a contribution to affordable housing, HOC was given relief on past due interest payments and is no longer required to pay interest on funding for this project.

APPROPRIATION AND EXPENDITURE DATA

| | | |
|--------------------------|------|---------|
| Date First Appropriation | FY80 | (\$000) |
| Initial Cost Estimate | | 10,900 |
| First Cost Estimate | | |
| Current Scope | FY05 | 12,507 |
| Last FY's Cost Estimate | | 10,507 |
| Present Cost Estimate | | 12,507 |
| Appropriation Request | FY06 | 0 |
| Supplemental | | |
| Appropriation Request | FY05 | 2,000 |
| Transfer | | 0 |
| Cumulative Appropriation | | 10,507 |
| Expenditures/ | | |
| Encumbrances | | 6,303 |
| Unencumbered Balance | | 4,204 |
| Partial Closeout Thru | FY03 | 0 |
| New Partial Closeout | FY04 | 0 |
| Total Partial Closeout | | 0 |

COORDINATION

Department of Finance
 Department of Housing and Community Affairs

MAP

**MONTGOMERY
 COUNTY, MD**



SUPPLEMENTAL OR SPECIAL APPROPRIATION REQUEST SUMMARY

1. Please fill in the following table:

| | |
|-------------------------------|----------------------------------|
| Agency | Housing Opportunities Commission |
| Department | N/A |
| Fund (County Government only) | N/A |
| Fiscal year | FY05 |
| Supplemental or Special | Supplemental |

2. What is the amount and source of funding?

| Source of funding (Please list sources) | Amount |
|---|-------------|
| General Obligation Bonds | \$2,000,000 |
| | |
| | |
| | |
| Total request | \$2,000,000 |

3. Please explain why you did not request this during the annual budget process.

This request is being funded via an FY05 supplemental to increase the Moderately-Priced Dwelling Unit/Property Acquisition Revolving Fund.